

**AMENDMENT TO H. R. 10, AS REPORTED
OFFERED BY MR. PAUL OF TEXAS, MR. BARR OF
GEORGIA, AND MR. CAMPBELL OF CALIFORNIA**

[Bank customer privacy]

**(Page & line nos. refer to the Committee Print
of June 24, 1999)**

Page 235, after line 23, insert the following new
subsections:

1 (c) PREVENTION OF FUTURE PRIVACY INVASIONS.—

2 (1) IN GENERAL.—Section 5318(g) of title 31,
3 United States Code, is amended—

4 (A) by striking paragraph (1) and insert-
5 ing the following new paragraph:

6 “(1) IN GENERAL.—Any financial institution,
7 and any director, officer, employee, or agent of any
8 financial institution, may report to the Secretary any
9 transaction relevant to a possible violation of a law
10 or regulation.”;

11 (B) in paragraph (2), by striking “sus-
12 picious”;

13 (C) in paragraph (4)(A)—

1 (i) by striking “requiring” and insert-
2 ing “receiving”; and

3 (ii) by striking “suspicious trans-
4 action” and inserting “transaction relevant
5 to a possible violation of a law or regula-
6 tion”;

7 (D) in paragraph (4)(B), by striking “sus-
8 picious transaction” and inserting “transaction
9 relevant to a possible violation of a law or regu-
10 lation”; and

11 (E) by adding at the end of paragraph (4)
12 the following new subparagraph:

13 “(D) RECORDKEEPING.—The Secretary
14 shall ensure that no report filed under this
15 paragraph is maintained by the Secretary or
16 any Federal or State law enforcement or super-
17 visory agency to whom access to the report (or
18 information therein) has been granted after the
19 earlier of—

20 “(i) the end of the 4-year period be-
21 ginning on the date the report was re-
22 ceived; or

23 “(ii) 60 days after the expiration of
24 the longest statute of limitations relating

1 to any possible violation of a law or regula-
2 tion identified in such report,
3 unless the report or information contained in
4 the report is being used in an on-going inves-
5 tigation of a possible violation of a law or regu-
6 lation identified in such report.”.

7 (2) CLARIFICATION OF PURPOSES OF ANTI-
8 MONEY LAUNDERING PROGRAM.—Section 5318(h) of
9 title 31, United States Code, is amended by adding
10 at the end the following new paragraph:

11 “(3) LIMITATION.—Notwithstanding para-
12 graphs (1) and (2), the Secretary may not require
13 or encourage an insured depository institution or
14 any affiliate of an insured depository institution to—

15 “(A) determine the sources of funds used
16 by any customer of the institution or affiliate in
17 any transaction;

18 “(B) assess the purpose of any transaction
19 or seek from the customer an explanation for
20 the transaction;

21 “(C) determine what transactions are nor-
22 mal or expected for a customer;

23 “(D) monitor customer body language or
24 behavior;

1 “(E) monitor customer transactions and
2 compare them to historical patterns; or

3 “(F) report to the Secretary transactions
4 that do not conform to a customer’s historical
5 transaction patterns.

6 (3) CLERICAL AMENDMENTS.—

7 (A) The subsection heading for section
8 5318(g) is amended to read as follows:

9 “(g) REPORTING POSSIBLE VIOLATIONS OF LAWS
10 AND REGULATIONS.—”.

11 (B) The paragraph heading for section
12 5318(g)(4) of title 31, United States Code, is
13 amended to read as follows:

14 “(4) SINGLE DESIGNEE FOR REPORTING
15 TRANSACTIONS RELEVANT TO A POSSIBLE VIOLA-
16 TION OF LAW OR REGULATION.—”.

17 (d) INCREASE IN TRIGGER AMOUNT FOR CASH
18 TRANSACTION REPORTS.—

19 (1) DOMESTIC.—Section 5313(a) of title 31,
20 United States Code, is amended by adding at the
21 end the following new sentence: “In no event may
22 the Secretary require reports under this section for
23 transactions involving less than \$25,000.”.

1 (2) IMPORTING AND EXPORTING.—Section
2 5316(a) is amended by striking “\$10,000” each
3 place such term appears and inserting “\$25,000”.

4 (e) AGENCY REPORTS ON RECONCILING PENALTY
5 AMOUNTS.—Before the end of the 1-year period beginning
6 on the date of the enactment of this Act, the Federal
7 banking agencies (as defined in section 3 of the Federal
8 Deposit Insurance Act) shall submit reports to the Con-
9 gress containing proposed legislation to conform the pen-
10 alties imposed on depository institutions (as defined in
11 section 3 of the Federal Deposit Insurance Act) for viola-
12 tions of subchapter II of chapter 53 of title 31, United
13 States Code, to the penalties imposed on such institutions
14 under section 8 of the Federal Deposit Insurance Act.